

ATTACHMENT 1, February 3, 2026, Senator Grow and Keith Bybee

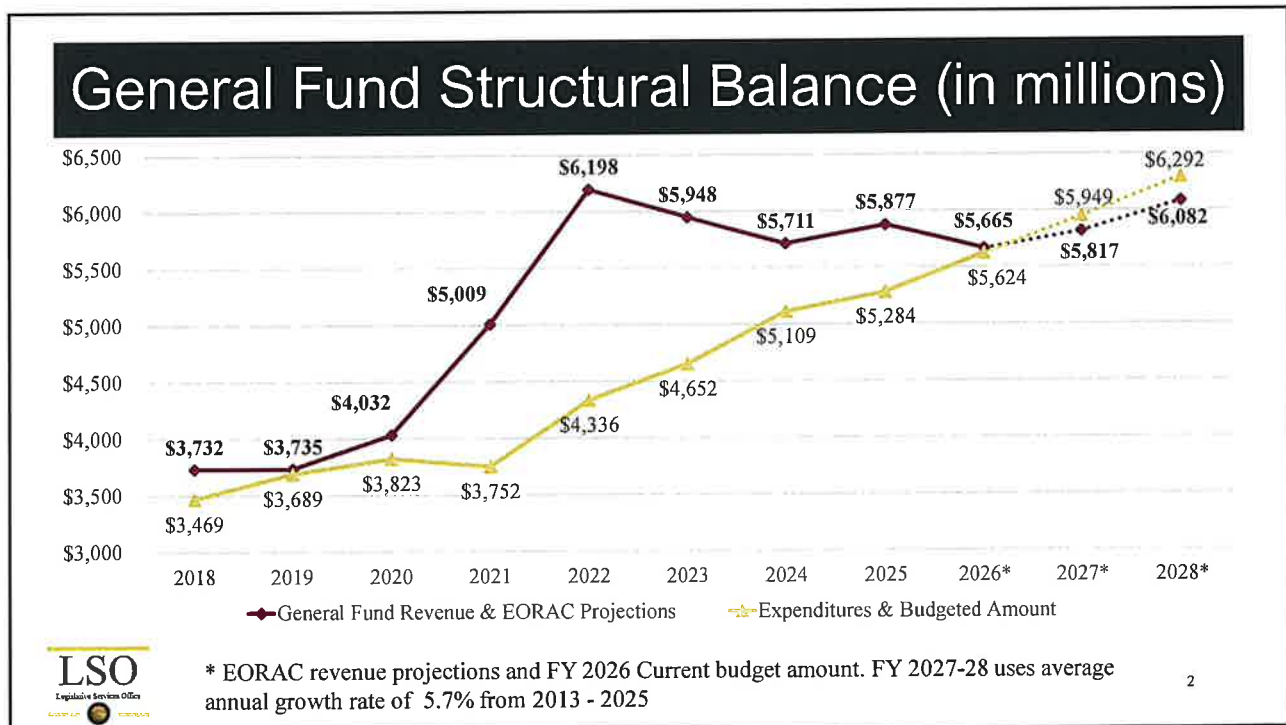


FY 2026 & FY 2027 Budget Update

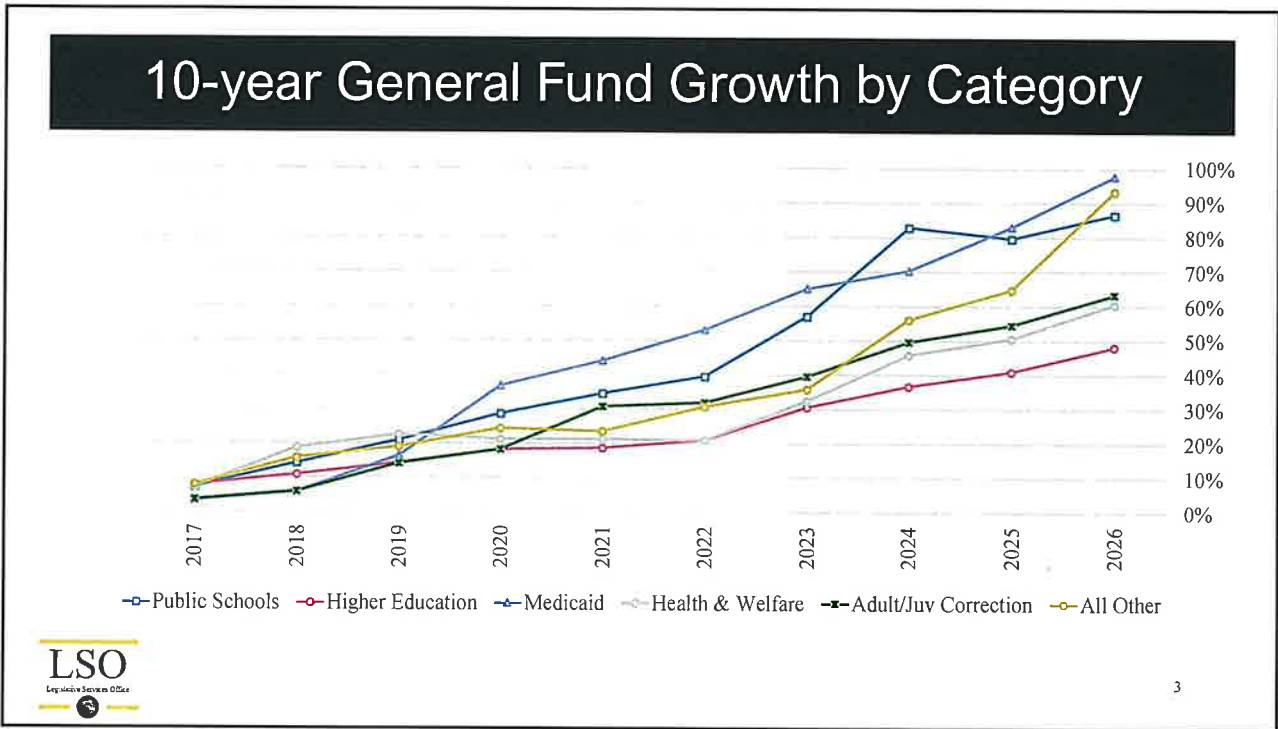
Keith Bybee, Budget and Policy
Analysis Division Manager

27 January 2026

1



2



3

FY 2026 General Fund Budget Update

<u>REVENUES</u>	<u>2025 Law</u>	<u>Gov. Recommend</u>	<u>Legislative Scenario</u>
1. Estimated Beginning Balance / Unobligated Cash Balance	419,681,100	313,670,400	313,670,400
2. Cash Reserved for Reappropriation/Carry forward		43,567,900	43,567,900
3. After Year-Yed Reversions (DHW, DEQ)		<u>4,794,100</u>	<u>4,794,100</u>
4. Available Cash Balance	\$ 419,681,100	\$ 362,032,400	\$ 362,032,400
5. Projected Revenue / Revised Revenue Jan. Forecast	5,929,118,200	5,512,406,100	5,665,100,000
6. Conformance			(155,000,000)
7. TOTAL REVENUES AND ESTIMATED BEGINNING BALANCE	\$ 6,348,799,300	\$ 5,874,438,500	\$ 5,872,132,400
8. FY 2026 Transfers in (out)	(285,000,000)	(285,000,000)	(285,000,000)
9. Deficiency Warrants (Pests, Hazardous Materials)		(1,316,400)	(1,316,400) *
10. Cash Transfers In		<u>106,745,000</u>	<u>106,745,000</u> *
11. Total Transfers in (out)	(\$ 285,000,000)	(\$ 179,571,400)	(\$ 179,571,400)
12. NET REVENUES (line 6+11)	\$ 6,063,799,300	\$ 5,694,867,100	\$ 5,692,561,000
<u>APPROPRIATIONS</u>			
13. FY 2026 Program Maintenance	5,404,879,200	5,404,879,200	5,404,879,200
14. FY 2026 Enhancements	219,061,300	219,061,300	219,061,300
15. FY 2026 Original Appropriations	\$ 5,623,940,500	\$ 5,623,940,500	\$ 5,623,940,500
16. Authorized Reappropriation/Carry forward		43,567,900	43,567,900 *
17. Supplementals		42,135,100	42,135,100 *
18. Temporary Reduction in Spending - E.O. 2025-02		<u>(46,951,700)</u>	<u>(46,951,700)</u> *
19. FY 2026 Estimated Expenditures		\$ 5,662,691,800	\$ 5,662,691,800
20. FY 2026 ESTIMATED ENDING BALANCE (line 12-19)	\$ 439,858,800	\$ 32,175,300	\$ 29,869,200

LSO Legislative Services Office

4

FY 2027 General Fund Summary

<u>REVENUES</u>	<u>Governor's Rec</u>	<u>Legislative Scenario</u>	<u>Difference</u>
1. Estimated Beginning Balance	\$ 32,175,300	\$ 29,869,200	\$ (2,306,100) *
2. Gov Adjusted Revenue Projection - 0.8% increase	5,524,246,700	5,661,600,000	\$ 137,353,300 *
3. Total Revenues and Estimated Beginning Cash	5,556,422,000	5,691,469,200	\$ 135,047,200 *
4. Total Transfers In (Out)	101,037,600	101,037,600	\$ 0 *
5. NET REVENUES	5,657,459,600	5,792,506,800	\$ 135,047,200 *
6. FY 2027 Program Maintenance	5,611,203,000	5,611,203,000	\$ 0 *
7. Total Budget Enhancements	20,715,100	20,715,100	\$ 0 *
8. FY 2027 Original Appropriations	5,631,918,100	5,631,918,100	\$ 0 *
9. FY 2027 ESTIMATED ENDING BALANCE	\$ 25,541,500	\$ 160,588,700	\$ 135,047,200 *



*Legislature has not taken action

5

5

Cash Position Then and Now (in millions)

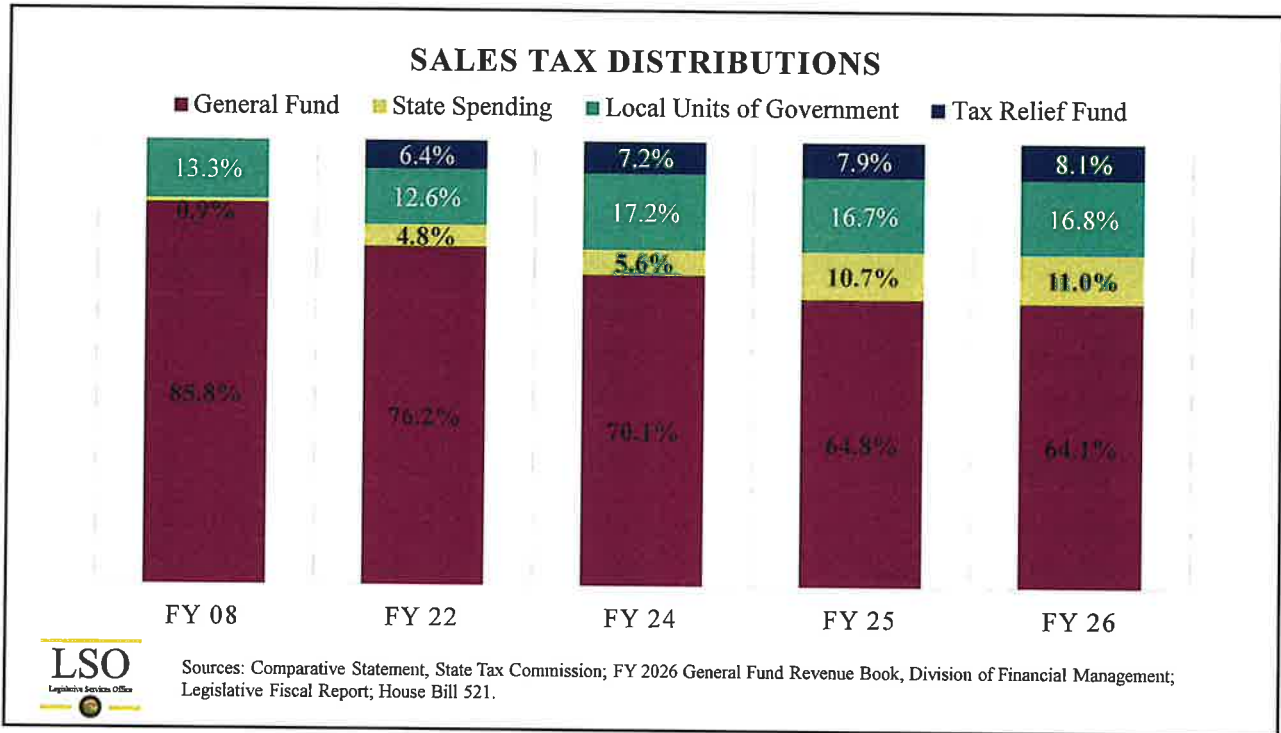
	2009	2026
Beginning Cash	\$248.8	\$357.2
Budget Stabilization Fund / ERRF	\$206.7	\$880.2
Public Education Stabilization Fund	\$112.1	\$256.6
Emergency Funds	\$3.3	\$21.7
Other	\$70.21	\$168.2
Total	\$641.1	\$1,683.9
As Percentage of Original Appropriation	21.7%	29.9%

*Other includes Medicaid Stabilization Fund (\$8.4m); Technology Infrastructure Stabilization Fund (\$1.2m); Higher Education Stabilization Fund (\$29.7m); 27th Payroll Fund (\$38.8m); and Millennium Traditional Fund (\$70.5m)



6

6



7

One Big Beautiful Bill Act (HR1)

- Tax Conformity
 - Standard Deduction
 - Bonus Deduction for Seniors
 - Tipped Wages
 - Overtime Pay
 - Increased Cap for SALT
 - Auto Loan Deductible Interest
 - Research & Experimentation Cost Recovery
 - Qualified Production Property
 - Small Business Expensing

LSO
Legislative Services Office

8

8